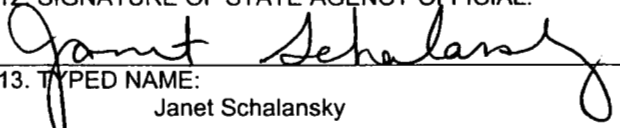
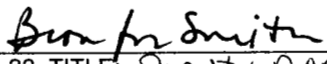


TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL HEALTHCARE FINANCING ADMINISTRATION		1. TRANSMITTAL NUMBER: SPA #02-27	2. STATE: Kansas
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE February 1, 2003	
5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447.252		7. FEDERAL BUDGET IMPACT a. FFY 2003 \$ 2,050,000 b. FFY 2004 \$ 4,400,000 ^(\$1,233) _(\$2,676)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A Page 24		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-A Page 24	
10. SUBJECT OF AMENDMENT: Methods & Standards for Establishing Payment Rates - Inpatient Hospital Care			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: Janet Schalansky is the Governor's Designee			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: Janet Schalansky, Secretary Social & Rehabilitation Services Docking State Office Building 915 SW Harrison, Room 651S Topeka, KS 66612-2210	
13. TYPED NAME: Janet Schalansky			
14. TITLE: Secretary			
15. DATE SUBMITTED:			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: December 20, 2002		18. DATE APPROVED: MAY 16 2003	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: FEB - 1 2003		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Thomas W. Lenz CHARLENE BROWN		22. TITLE: Deputy Director ARA for Medicaid & State Operations, CMSO	
23. REMARKS: Pen and ink changes made in block # 7			
SPA CONTROL Date Submitted: Date Received:			

KANSAS MEDICAID STATE PLAN

Attachment 4.19-A

Page 24

Methods and Standards for Establishing Payment Rates - Inpatient Hospital Care

Section 2.5320 continued

Total Claim	
Payment	= Standard DRG Payment + Outlier Payment
	= \$11,995 + \$2,264
	= <u>\$14,259</u>

2.5330 Simultaneous Cost and Day Outlier Payment

If a covered general hospital inpatient stay is determined to be both a cost outlier and a day outlier, the reimbursement will be the greater of the amounts computed for cost outlier and day outlier.

Example of Payment for Simultaneous Cost and Day Outlier:

Data

Total Claim Payment for Cost Outlier...\$14,219 (subsection 2.5310)
Total Claim Payment for Day Outlier....\$14,259 (subsection 2.5320)

Analysis

The higher of the two amounts, \$14,259, will be the reimbursement amount for the claim which meets both cost outlier and day outlier criteria.

2.5340 Pay No More Than Charges

After the determination of the payment, including any applicable outliers, hospitals shall be paid the lesser of the Medicaid allowed amount and their allowed charges. Allowed charges are determined based upon which revenue codes are allowed as covered services.

2.5400 Payment for Transfers

When a recipient is transferred during a covered general hospital inpatient stay from one hospital to another hospital, the reimbursement to all hospitals involved in the transfer(s) will be computed as follows.

2.5410 Transferring Hospital(s)

The reimbursement to each transferring general hospital shall be the DRG daily rate for each covered day of stay. Total payment to each transferring hospital shall be no greater than the standard DRG amount, except where the transferring hospital is eligible for outlier payments.

2.5420 Discharging Hospital

The discharging general hospital shall be reimbursed the standard DRG amount.

If the claim qualifies as an outlier, the discharging hospital shall be eligible for an outlier payment based solely on the length of stay at the discharging hospital.

MAY 16 2003